

EXTRAMURAL SUPPORT PROCEDURES MANUAL

Effective FY 2001

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University of Wisconsin - Extension

Extramural Support Procedures Manual

INTRODUCTION

This manual sets forth the University of Wisconsin-Extension policies and procedures related to extramural support. Extramural support includes gifts, grants, contracts and cooperative agreements. The University of Wisconsin System Administration has published General Administrative Policy Paper (GAPP) Number 2 for the financial administration of extramural support by all UW institutions. GAPP 2 states that, "Each institution is expected to establish and efficiently maintain necessary procedures and administrative services to assist its faculty and staff in securing and using extramural funds. Sound administrative procedures and services are indispensable in assuring that a proper University atmosphere exists in support of extramural programs and in establishing and maintaining proper relationships with outside sponsors."

In addition to the policies and procedures outlined in this manual, extramural funds are subject to the following rules and regulations:

- All applicable Federal Office of Management and Budget (OMB) Circulars (can be found at http://www.whitehouse.gov/omb/grants_default).
- Rules and regulations of the granting agency.
- Guidelines established by the National Association of College and University Business Officers (NACUBO).
- State and UW System policies and procedures.
- State statutes.
- Regent resolutions.

DEFINITIONS

Extramural Support

The University's faculty uses extramural support and staff to augment state funds that support University-related activities. Extramural support includes gifts, grants, contracts and cooperative agreements which are described in the University of Wisconsin System Administration General Administrative Policy Paper (GAPP) Number 2.

Gifts

To qualify as a gift, funds for extramural support must meet **all** the following criteria:

- Funds provide general, unrestricted support for broadly defined activities in one or more program areas, such as research, public service, instruction, fellowships/traineeships, etc;
- Detailed reports are not required--neither periodic nor final, nor fiscal or technical. (The Project Director or Principal Investigator may provide the donor with a brief statement that the expenditures were in accord with the intent of the gift);
- No provisions (delays, advance notice) are imposed by the donor concerning publication of data and information derived from the activity;
- There is no specific time limit on the expenditure of funds;
- The donor does not retain rights to any patent or copyright.

Any extramural support that does not meet all five criteria to be a gift will be classified as a grant or contract subject to the assessment of indirect costs.

In accordance with IRS regulations and UW-Extension policy and good business practice, all gifts must be acknowledged ([Sample Gift Acknowledgement Letter](#)). The responsibility for acknowledgment remains with the unit receiving the gift. The requirement applies to contributions made to UW-Extension and processed as gifts to fund 133 or fund 161 project grants. If the donor receives any item of value exceeding \$75.00 in exchange for the gift, the acknowledgment must indicate the item and its fair market value. The suggested language is noted in bold.

Grants

A grant represents a mutual joining of interests on the part of the grantor and grantee institution in the pursuit of common objectives. In this relationship, the grantee institution assumes with the grantor the obligation to act in the public interest in achieving a common purpose. This is a relationship of trust which imposes upon the grantee institution the responsibility to assure that the grant funds are utilized for the purpose for which they were awarded, and to exercise the same probity and prudence in their expenditure that is extended to the use of the grantee institution's own funds.

A grant is distinguished from a contract in that a grant does not constitute the procurement of goods and services by the grantor. The grant is a unilateral act.

Contracts

A contract is a promise between two or more parties which usually involves the procurement of goods and services by one party or parties and the rendering of goods and services by the other party or parties. Contracts can be fixed price contracts or cost-reimbursement contracts.

Cooperative Agreement

An agreement is a concord of understanding and intention between two or more parties with respect to the effect upon their relative rights and duties. An agreement is used in lieu of a grant when the sponsor anticipates substantial programmatic involvement with the recipient during performance of the project.

Award

An award is a gift, grant, contract or cooperative agreement committing funds to the University in the form of extramural support.

Sponsoring Agency

A sponsoring agency is any individual or organization that provides an award to the University that relates to the mission of UW-Extension.

Project Director/Principal Investigator

A Project Director (PD) or Principal Investigator (PI) must be designated for each extramural agreement and authorized by the Dean's (or Dean's designee's) signature on the routing record. UW-Extension uses the term Project Director on its Extramural Support documents. The PD is responsible for the day to day administrative management and direction of projects relating to coordination, accounting, purchasing, personnel, etc. It is the responsibility of the PD to meet agency requirements for progress reports, provide budget control and to assure the propriety of all expenditures applied to extramural funds.

Faculty and academic staff can be designated as PD. PDs on UW-Extension agreements/awards must be employees of UW-Extension. Non-UWEX faculty and staff must use their home institutions to process extramural proposals. Individuals with collaborative appointments are employees of their payrolling institutions and should use the extramural procedures of their payrolling institutions. Proposals involving more than one institution must clearly identify and define the responsibilities of its UW-Extension participants.

To manage the grants effectively, the PD should be cognizant of all contract or grant provisions and give special attention to those pertaining to budget limitations, patent and copyrights, inventions, safety and security, and required

reports. It is expected that the PD will maintain close liaison with the Dean's or Director's office in order to apprise them of developments requiring deviation from the initial budget or from the other terms and conditions of the approved grant or contract.

The PD is responsible for complying with program reporting requirements and filing deadlines as specified by the sponsoring agency and the University. The UW-Extension Office of Extramural Support will prepare formal financial reports with a copy being sent to the PD.

PDs are responsible for developing proposals, but are not authorized to legally obligate the University. They are not authorized to modify or waive standard contract provisions.

A project may have two PDs, if there is a division of program and administrative responsibility. However, one co-director must have specific program responsibilities.

Routing Process

The UW-Extension utilizes the Wisconsin Proposal Electronic Routing (WISPER) system to expedite, review and request approval of project proposals and contracts/agreements between UW-Extension and sponsoring entities. The signature of a University official authorized on behalf of the Board of Regents of the University of Wisconsin System is required for any proposal or agreement to be binding on the University. Before these project proposals or agreements/contracts are signed by the authorized University official, they must be reviewed and approved by signature at the department Chair and Dean/Director levels. Please use the WISPER system (<https://authhub.wisconsin.edu/?app=SFS>) to obtain University reviews and approvals of the following:

- Applications/proposals for gifts, grants and agreements/contracts (including revised budgets or award modifications). When adding monies to a gift project grant, a copy of the acknowledgment letter should be attached. If amount is under \$50, an e-mail from divisional/departmental representative stating it is a true gift will be sufficient.
- Gifts, grants and agreements/contracts awarded without previous formal application/proposal.
- Non-monetary agreements involving items such as space utilization and transfers of materials, technology and proprietary information

Facilities & Administrative/Indirect/Overhead Costs

Facilities & Administrative Costs (also commonly referred to as overhead or indirect costs), although not readily identifiable with specific projects, are real costs charged to individual grants or contracts to provide reimbursement for certain institutional expenses that cannot be directly charged since they result from shared services, such as libraries, plant operation and maintenance, utility costs, departmental support, research administration expenses and depreciation or use allowance for buildings and equipment. Please refer to the [Applicable Indirect Cost Rates Table](#) for further information. A copy of the federally Negotiated Indirect Cost Rate Agreement (NICRA) is available on-line at <http://www.uwex.edu/business-services/extramural/documents/NegotiatedIndirectCostRateAgreement.pdf>.

Cost Sharing/Matching

Some sponsoring agencies require that the recipient organization (grantee) share in project costs by providing a proportional share of the cost from the recipient organization's own resources and/or from third-party contributions. Generally, only federally funded programs require cost sharing/matching.

Grantees are strongly encouraged not to exceed the cost sharing/matching requirements or provide "overmatch" for a grant in the proposal. To do so is to make more of a financial commitment to the project than is required. If a grantee is not able to meet its cost sharing/matching obligation, federal support may be reduced proportionately to maintain the required matching ratios.

Cost sharing/matching requirements can be fulfilled by using any non-federal sources or program income if permitted by the grant terms and conditions. Other federal funds may be used as match only with prior written approval of the funding agency.

Grantee-incurred costs count toward satisfying matching/cost-sharing requirements if the grantee's records can verify them. Third party costing (in-kind) counts toward satisfying matching/cost-sharing requirements if the third parties' records can verify them. All matching/cost-sharing must involve costs, which are necessary to accomplish program activities, and are recognized under the cost principles contained in OMB Circular A-21. Institutions or higher education, with the approval of the sponsoring agency, may include unrecovered indirect costs as part of their cost sharing/matching.

More information regarding cost share can be found on the Office of Extramural Support web page at <http://www.uwex.edu/business-services/extramural/cost-share.html>.

Non-Auditable Match

Non-Auditable match is a term used to reflect contributed resources that are not "required" as match by the awarding agency, but are listed in a project proposal to gain favorable consideration, by listing Extension resources that may be used for the proposed project. These resources are not auditable and should not be listed on any formal budget. Non-Auditable match should be listed informally in the budget narrative or as a postscript on the budget page, with the caveat: "This match is listed for informational purposes only and is not auditable if the project is awarded."

Non-Auditable match should be listed without any monetary value. It may be delineated in proposals or may be referenced in the budget narrative. Non-Auditable match may include third party contributions to the project whether given in cash, time, or space or other.

PeopleSoft Grants Management System (GMS)

After an award or proposal has been approved, the UW-Extension Office of Extramural Support will enter the appropriate information into the PeopleSoft Grants Management System (GMS). GMS is the management tool used to create and change the award records for each extramural project. All federal and non-federal account numbers are created in the GMS system upon receipt of award documents. Award records entered in GMS are used to generate the Gift, Grant and Contract Report to the UW Board of Regents. General Ledger accounting records will be simultaneously created in the Shared Financial System for each account number created in GMS.

Gift-in-Kind

A gift-in-kind is a non-monetary gift involving a contribution of personal or real property and requires annual reporting by the institution to the University of Wisconsin System Vice President of Finance.

Gifts-in-Kind from all sources, including private donors, foundations, corporations, etc., require the recipient of each gift-in-kind to prepare a [Gift-in-Kind Transmittal Form](#) to route through their institutional review process for approval (including a review for hazardous materials) as part of the reporting process.

In accordance with Wis. Stat. S. 20.907 the UW-Extension will provide a listing and a summary report of gifts-in-kind receiving institutional approval to the Vice President for Finance after the close of the fiscal year, by September 1. The Vice President will provide a summary report to the Regents at their subsequent October meeting and a combined listing to the Legislative joint Finance Committee and the Department of Administration on December 1.

By Board policy, the University may not participate in establishing the monetary value of the gift, nor should any value be assigned when the institutions submit the annual gift-in-kind report.

An inventory value should be established based upon fair market value on the date of the gift for financial reporting purposes. If this value is \$5,000 or more and the useful life is one or more years, the donated item shall be included in the capital inventory. An insurance value should be determined in accordance with procedures established by the Director of Inventory.

Effort Certification & Reporting Technology (ECRT) System

Staff salary allocations and cost sharing commitments toward sponsored project awards will be captured in ECRT. These reports provide an after-the fact-certification as to the accuracy of the budgeted effort towards sponsored project awards. ECRT can be accessed at <https://authhub.wisconsin.edu/?app=ECRT> by using your UW Extension login and password. More information about ECRT and effort reporting in general can be found at <http://www.uwex.edu/business-services/extramural/effort-reporting.html>.

Intellectual Property

The university requires participants in extramurally supported projects to promptly disclose to the University any invention, computer software, or mask work in whole or in part, whether solely or jointly created with others during and in the course of extramurally supported research or other activity. They must further agree that they will comply with the provisions of any agreement between the University and the sponsor, and will cooperate in assuring that the sponsor's rights in intellectual property are fully protected.

Smith-Lever Funds

The Smith-Lever Act provides appropriations to the institutions designated under the First Morrill Act. These funds are allocated to the State Cooperative Extension Services in order to aid in diffusing, among the people of the United States, useful and practical information on subjects relating to: Agriculture, Natural Resources and 4-H Youth Development, Family Living Education.

Based on approved proposals, funds are provided periodically to UWEX under Section 3(b)(1) of the Smith-Lever Act to finance special projects. The projects are primarily aimed at solving specific problems of national concern or for developing new teaching methods that have multi-State significance.

Funds for special projects may also be provided under Section 3(b)(1) of the Smith-Lever Act (out of the four percent designated for Federal administration), Section 3(d) of the Smith-Lever Act funds for special interest and national

initiatives, Section 1444 (b)(2)(A) of the Food and Agriculture Act of 1977 (out of the 4 percent designated for Federal administration), from Congressional and other Federally authorized legislation, or as reimbursements from other governmental agencies.

Smith-Lever Funds are administered through the UW Extension Cooperative Extension Grants office.

Tuition Remission Policy

Effective January 1, 2007 UW-Extension has adopted the same policy as applied by UW-Madison regarding tuition remission. UW-Extension will apply an annual fixed surcharge of \$8,000 to all PA and RA positions regardless of funding source.

The charge will be applied on a semester basis--\$4,000 per semester. No charge will be applied for summer appointments. The charge will be assessed on a monthly basis, September through January (4.5 months) and January through May (4.5 months). All business representatives as part of their monthly fund reconciliation will need to assess if the tuition remission is a recoverable expense on the project grant and if not, will initiate a non-salary payment transfer to move the expense to an unrestricted fund.

Where applicable, all proposal budgets for extramural support should include a line item for tuition remission at the full surcharge of \$8,000. The cost should be listed under "Other Direct Cost." Tuition remission is excluded from the MTDC indirect cost calculation.

For more information, go to <http://rsp.wisc.edu/policies/tuitionremission.html>.

UW-Extension Office of Extramural Support

The UW-Extension Office of Extramural Support is located in Room 104 UW-Extension Building. This office is responsible for the final review of project proposals on behalf of the Board of Regents and transmittal of proposals to providers of extramural support. Other responsibilities of the Office of Extramural Support are:

- To conduct grant and contract negotiations and review and accept all Federal and Non-Federal awards on behalf of the Board of Regents.
- To administer UW-Extension accounts activity to confirm propriety of expenditures.
- To maintain the extramural support data base. This database forms the basis for Board of Regent reporting and all subsequent processing. The database results in the creation of accounting records to record actual budgets, expenditures and receipts in the General Ledger.

- To collect receipts and prepare financial reports and invoices. It also manages draws against letters of credit where this option is available from Federal agencies.
- The Office of Extramural Support, in conjunction with the UW-Madison Office of Research and Sponsored Programs (RSP), is responsible for maintaining the Effort Certification and Reporting Technology (ECRT) System as required by OMB Circular A-21.
- In cooperation with RSP, assist in the developing and planning of indirect cost rates.

FUND ASSIGNMENT CRITERIA

UW-Extension uses designated appropriations for the extramural project grant or project grants (please refer to the [Fund Assignment Grid](#)). Coding is based on state statute that links extramural funds to federal or non-federal sponsors. Federal funds are those that are received directly or indirectly from the federal government. All other funds are non-federal, by definition.

133 - Non-Federal Grants, Contracts/Agreements

Extramural funds received from a non-federal source that do not involve flow-through federal funds may be financially administered within a Fund 133 account. Fund 133 awards are presented monthly to the UW Board of Regents by UW System Administration.

144 - Federal Grants, Contracts/Agreements

Extramural funds received from agencies, and flow-through federal funds from other agencies should be financially administered within a Fund 144 account *unless*:

1. They involve federal Smith Lever funding (assigned to Fund 143).
2. They clearly meet a formally established criterion that permits deposit into another fund (see 104 PR section).

Fund 144 awards are presented monthly to the UW Board of Regents by UW System Administration

143 - Federal Smith Lever Funds

Federal Smith Lever funds, whether received directly from USDA or indirectly from another institution, should be financially administered within a Fund 143 project grant. Fund 143 awards are not presented to UW Board of Regents.

104 - Program Revenue (PR)

Departments with a PR (Fund 132) requirement included as part of their Fund 104 "general purpose operation (GPO) pool" may deposit extramural support monies as PR. If the funding source is federal, generally a Fund 144 account should be assigned. The fund 104/132 appropriations can be used for the expenditure and receipt of federal funds only if:

3. The federal funds are received for payment of fees to attend a UWEX sponsored program.
4. The federal flow-through funds (not to exceed \$5,000) are received by a UWEX non-service department from another UW institution.
5. The federal funds are received as a non-renewable, fixed-price purchase order with no contractual signature required and no required segregation of funds.

104 - General Purpose Revenue (GPR)

Occasionally, UWEX departments funded primarily with GPR funds that do not have a PR requirement may receive a fee for incidental services provided to an external agency. Under these circumstances, the fee income can be deposited as an external sales credit against the department's 104 GPR fund.

161/162 - Trust Funds

Many gifts can be placed in either a Fund 133 gift account or a Fund 161/162 trust fund. If placed in a trust fund, the department will benefit from the income earned while the earnings on Fund 133 gift funds are retained by the State of Wisconsin. In order to be deposited into a trust fund, gifts must meet all the following criteria:

- Funds shall be in excess of \$2,500.
- Funds will be on deposit for at least one year.

Trust funds can also be used for temporary depositing of Fund 133 receipts that do not meet the "gift" criteria, under the following circumstances:

- The amount must exceed \$50,000.
- The expenditure of the 133 funds is not expected to begin for at least six months after the initial receipts are recorded.

The Wisconsin Public Radio/Television annual Community Service Grants received from the Corporation for Public Broadcasting (CPB) are examples of this procedure. Receipts from CPB are received approximately one year before expenditures against them begin. The temporary deposit of these receipts in

Fund 161/162 trust funds allows the investment income to be retained by Wisconsin Public Radio/Television.

132/136 – Non-Credit Program and General Operations Receipts

Generally, funds received for goods/services provided to an external agency by a UWEX unit budgeted primarily under Fund 132 or 136 should be deposited as program revenue to the appropriate fund coding. Likewise, receipts for services provided to other UW departments should generally be deposited as an internal sales credit. A Fund 133 or 144 account should be established only if the award requires the establishment of a segregated account.

233- Gifts

Gift funds received from outside donors are administered within a Fund 233 account. All gifts must meet the criteria outlined on page 7.

PREPARATION OF PROPOSALS TO EXTERNAL SPONSORS

Each Divisional Business Office is responsible for reviewing proposal budgets for accuracy. An important part of the process is helping the PDs in their budget preparation. This involves: making sure the proposal format meets the sponsoring agencies' format; the budget includes the correct indirect costs and fringe rates; cost sharing requirements are met; sub-recipients/sub-contractors are clearly delineated; and for federally sponsored projects, the budget scheme is selected.

Proposal Format

When the funding agency does not provide a specific format, the following is a suggested outline:

- **Cover page**
- **Background** - Provide a brief description of your organization and department. The purpose of this section is to inform the granting agency of your particular expertise in the area. Basically, you are "selling" your institution and making it evident that you are the best qualified.
- **Client Group** - Identify the individuals, agencies, organizations, or institutions the project will be working with. Explain how the clientele have been involved in the development of the proposal. Letters from the clientele indicating support of the problem, the program, and the objectives are very helpful and should be included in the appendices whenever possible.
- **Objectives** - The specific goals of the project should be spelled out in detail and should relate directly to the problem indicated and the client

group described above. It is important that you limit your objectives to those which are tangible and measurable within the resources and time period of the proposal.

- **Procedures** - Indicate very specifically what you are going to do. Your work plan should be detailed and in a chronological sequence. A timetable is also recommended. Staffing needs should be indicated. Be sure to allow sufficient start-up time to enable recruiting for new positions. Explain the involvement of other organizations cooperating on the project.
- **Evaluation** - Explain carefully how you plan to evaluate the results to determine the effectiveness of the project. It is important that this section be fully developed so that you may establish the necessary record keeping providing the information needed for proper evaluation.
- **Supporting Documentation** - Include any documentation which may support your proposal such as:
 - Vita (resumes) of key personnel involved.
 - Support letters from the proposed clientele or organizations.
 - Support letters from cooperating individuals or agencies.
 - A brochure or statement explaining the qualifications or facilities of your department or University of Wisconsin-Extension in general which are unique and/or necessary for the successful implementation of the proposal.
 - If the project is large and complex, an organizational and/or functional chart may be included.
 - A job description for the various staffing positions may also be included as an appendix.
- **Budget** - After the above steps have been completed in draft form, a draft budget should also be prepared by the PD and sent with the narrative to the respective Division office.

General Comments on Proposal Preparation:

- Double spacing normally allows for easier and quicker reading.
- Number and date all pages for easy reference.
- On large proposals, an index or table of contents is helpful.
- Elaborate artwork, photographs, binders, etc., are discouraged unless absolutely necessary in the proposal.
- Cost sharing or matching costs should not be included in the proposal unless required by the funding source. If cost sharing is required, it is important that the PD work with the Divisional office in developing the total budget.

Proposal Budget

The proposal budget is developed with the help of the PD's Divisional Budget Office. The PD should submit a budget that will meet the needs of the project

scope. It is the responsibility of the Divisional Budget office to ensure that the budget does not have any mathematical errors. For projects that are sponsored by federal or federal flow through funds, the budget format **must** be in a form that fits into one of the Extension budget schemes. The various budget schemes may be found in the divisional budget offices. This will enable computer terminal on-line comparison of expenditures to budget by budget categories, and report generation. If the proposed budget contains salaries, coordinate salary and fringe benefit rates with your Division Personnel Office.

The draft budget should be detailed and categorized as follows:

PERSONNEL:

Salaries and Wages

Faculty & Academic Staff (by name/title)	XXX	
Classified Staff	XXX	
LTE's	XXX	
Research Assistants, Pre-Doctoral Fellows & Trainees	XXX	
Project, Program & Teaching Asst & Research Assoc	XXX	
Post-Doctoral Fellows & Trainees	XXX	
Ad Hoc Program Specialists & Undergrad Assts	XXX	
Student Hourly	XXX	
Subtotal Salaries and Wages		XXX

Fringe Benefits

Faculty & Academic Staff (by name/title)	XXX	
Classified Staff	XXX	
LTE's	XXX	
Research Assistants, Pre-Doctoral Fellows & Trainees	XXX	
Project, Program & Teaching Asst & Research Assoc	XXX	
Post-Doctoral Fellows & Trainees	XXX	
Ad Hoc Program Specialists & Undergrad Assts	XXX	
Student Hourly	XXX	
Subtotal Fringe Benefits		XXX

Total Personnel XXX

CONSULTANT/CONTRACTUAL FEES: XXX

TRAVEL:

 Transportation XXX

Meals & Lodging	XXX
Total Travel	XXX
EQUIPMENT (ITEMS OVER \$5,000):	XXX
SUPPLIES AND SERVICES:	XXX
SUB CONTRACTS:	XXX
TOTAL DIRECT COSTS:	XXX
INDIRECT COSTS:	XXX
TOTAL BUDGET:	XXX

Fringe Benefits Rates

Wisconsin Statutes Section 20.865 requires the fringe benefits applicable to salaries paid for extramural funds shall be charged to such funds. Thus, all budgets submitted for extramural support must contain an item for all associated fringe benefit costs of the University (see current rates on OES web site at <http://www.uwex.edu/business-services/extramural/documents.html>).

The Fringe benefit rates are provided by UW-System on an annual basis. These rates are based on actual fringe benefit packages that include the University's contribution to retirement, health and life insurance, social security, unemployment and worker's compensation insurance, and income continuation insurance. Different fringe rates exist for different classes of employees depending on the level of the University's contribution. Rates are adjusted annually to reflect adjustments in charges and changes in benefits. Therefore, care should be taken to determine you are using the current rates.

A fringe benefit rate will be charged to each project grant automatically and will be based on the present rate and the actual salaries paid in a given month. If the salary amount is increased, the amount of fringe benefits will be increased as well.

Cost Share/Match

When a sponsoring agency requires cost share/match be provided by UWEX it is important that:

- UWEX does not exceed the required cost share/match amount (exceptions require justification) and
- Cost elements identified as cost share/match can be readily documented on official University financial records.
- All cost elements identified as cost share/match and third party cost share/match (in-kind) can be readily documented as provided and expended within the project period of the award.

Whenever possible, staff salaries charged to non-Federal funds, associated fringe benefits, related indirect costs and unrecovered indirect costs should be used to meet cost share/match requirements. The use of salary costs for cost share/match is desirable due to the ease of certification/documentation provided by the university ECRT System.

Third party cost share/match (in-kind) can be used if acceptable to the sponsoring agency and the contributed costs are necessary and allowable under UWEX guidelines to accomplish program activities. It is important that a contractual officer from the third party provides written assurance as to the amount and type of contributions that the third party will donate. In addition, the third party should ensure that its contributions are supported by the same record keeping requirements that the third party would use to certify cost sharing/matching against federal grants received directly.

Facilities and Administrative Costs (Indirect/Overhead Costs)

Facilities and Administrative Costs (indirect/overhead costs) are real costs that provide reimbursement for actual institutional expenses that support extramural activities but cannot be directly charged to a grant or contract. The indirect cost results from shared services such as libraries, physical plant operation and maintenance, utility costs, general departmental and sponsored project administrative expenses, and depreciation or use allowance for buildings and equipment. Wherever possible, indirect costs **must** be recovered. The Divisional Budget Office must instruct the PD, which rate to apply according to the Extension Policy on Indirect Cost Recovery (please refer to the [Applicable Indirect Cost Rates Table](#)). Exceptions must be justified by the PD, approved by the Dean and Chancellor or Chancellor's designee.

Gifts

Extramural support that qualifies as a gift (meets all gift criteria) is not subject to the assessment of indirect costs.

Federal Agencies

All grant and contract application to and awards from federal agencies (except as provided otherwise by federal regulations) must include indirect costs at the agreed upon rate set forth in the University/Federal Cognizant Audit Agency (DHHS) negotiation agreement. A reduced indirect cost rate can be accepted if a particular federal program has a regulatory-imposed restriction on indirect cost recovery. Written documentation should be provided in this instance.

Federal "Pass Through" Funds

Federal "pass-through" funds from Wisconsin State agencies, counties, municipalities, or local governmental units should include indirect costs budgeted at the appropriate rates (please refer to the [Applicable Indirect Cost Rates Table](#)).

A footnote should be included that states:

"If funded from state GPR funds or other non-Federal funds that do not provide for indirect cost reimbursement, indirect costs should be excluded from the award."

Federal "pass-through" funds from all other agencies require indirect cost reimbursement at the fully negotiated rate unless:

- The sponsoring agency has a published lower rate; and
- The lower rate is consistently applied as an agency-wide policy.

NonFederal Funds

Non-Federal funds from Wisconsin State Agencies, counties, municipalities, or local governmental units are subject to their established indirect cost rate. The indirect cost recovery is not required under the following circumstances:

- The grants/contracts are funded by state GPR funds.
- The grants/contracts are funded by non-Federal funds received from Wisconsin Counties in partnership with Cooperative Extension or received from the Educational Communication Board in partnership with Wisconsin Public Radio/Television.

Non-Federal funds from other nonprofit agencies require indirect cost reimbursement at the fully negotiated rate unless:

- The agency has a published lower rate, and
- The lower rate is consistently applied as an agency-wide policy.

Non-Federal funds from sanctioned support groups are exempt from indirect cost reimbursement. The following organizations qualify as sanctioned support groups:

- County-based support organizations (i.e. 4-H Foundations)
- Wisconsin Public Broadcasting Foundation
- Friends of WI Public Television, Inc.
- Wisconsin Public Radio Association
- University of Wisconsin Foundation
- Leadership Wisconsin

Private Sector (For-Profit Entities)

Extramural support received from a for-profit entity but does not qualify as a gift requires indirect cost reimbursement at the fully negotiated rate. Exceptions to this policy must be approved by the UWEX Chancellor or his/her authorized designee. Normally consultation, special training programs, etc. performed by UWEX staff for direct benefits of the private sector should not be subsidized by other UWEX funds. Reimbursement rates should reflect this requirement.

Fees for Tuition, Royalties, or Incidental Services

Fees charged for tuition, royalties or incidental services do not normally involve indirect cost reimbursement.

[Tuition Remission](#) is a true cost which the hiring unit has the responsibility to pay.

The inclusion or exclusion of indirect costs cannot be used as a bargaining point to gain a competitive advantage to secure extramural support. When joint projects are anticipated by several institutions of the UW System, indirect costs should be included and reimbursed at each institution's appropriate negotiated rate. When one institution receives extramural support and then subcontracts to or purchases services from a second, the first shall reimburse the second's indirect costs at the rate received by the first or the negotiated rate of the second whichever is less monetarily.

Exceptions to any of the above policies require the approval of the UWEX Chancellor or his/her authorized designee.

Sub-Contracts

Some proposals are submitted with a collaborative effort with another institution or organization. It is understood that this entity will perform a portion of the scope of the project and a subcontract **must** be used to transfer funds. A subcontract is broadly defined as a grant from one institution to another institution or individual in support of a project in which the programmatic activity is carried out through a cooperative arrangement between or among the grantee institution (UW-Extension) and one or more other institutions or individuals which are separate legal entities, administratively independent from the grantee. The involvement of the non-grantee institution or individual is that of actually performing a portion of the scope of work as opposed to simply providing a routine service or consulting activity.

In order to satisfy the requirements of the State Bureau of Procurement for exemption of subcontracts from the procurement process the PD must identify subcontractor by name in their extramural grant applications. The total cost should be included in the University's budget as a line item under the appropriate budget category, customarily identified as either "Subcontracts", "Contractual Services", or "Other Direct Costs". The institutionally approved subcontractor's scope of work and detailed budget is to be appended to the University's budget.

The Divisional Budget Office should review the budget of the sub-contractor for mathematical errors and appropriateness of budgeted items. When the award is made, the Divisional Budget and Finance Office will set up the sub-contract and process it through appropriate channels.

Shared Grants

The Shared Grant Transfer of Extramural Funds applies only when the transfer of funds is related to joint participation by two or more UW Institutions in the "Scope of Work" of an extramural project. A Shared Grant relationship may be determined at the time the formal grant proposal is submitted (preferred), or subsequent to the award being issued. In either instance, both institutions should have knowledge of the transaction.

For Shared Grant transactions the following applies:

- Both institutions should establish a 144 or 133 account as appropriate;
- The institution named as the primary recipient is responsible for all reporting requirements of the granting agency and for reporting the full amount of the award to the Board of Regents;

- The primary recipient shall reimburse the subrecipient's indirect costs at the subrecipient's negotiated rate. If the shared grant was not contemplated at the time the proposal was submitted, and the primary recipient's indirect cost rate is lower than that of the subrecipient, the subrecipient must determine if they will accept the project at the rate received by the primary recipient;
- To ensure that revenues and expenditures are not double counted with respect to the UW System as a whole, class code 3301 (Legacy) or account code 3910 (Shared Financial System) should be used by the primary recipient institution to process payment to the subrecipient. The subrecipient should deposit the payment using revenue code 9910. It is important to follow these procedures so offsetting amounts can be identified by UW-System Administration.
- An "Agreement to Transfer Extramural Funds Between UW Institutions" ([Shared Grant Document](#)) should be completed by the primary recipient institution or a "Modification to Agreement to Transfer Extramural Funds Between UW Institutions" ([Shared Grant Modification Document](#)) should be completed by the primary recipient institution.
- The amount of the shared grant is excluded from the indirect cost calculation.

Transfers of Extramural Funds that do not involve "Scope of Work" transactions should use one of the other Inter-Institutional Financial Transactions Categories covered by this Policy Paper. The Institutions will not set up a 144 or 133 account and there will normally be no pass-through of indirect cost reimbursement. The Institutions should account for the receipt as a sale or sales credit in accordance with FAP - Internal Services Chargeback (F24) depending on the appropriation from which services are being provided. This will ensure that there is no double counting of revenues and expenditures with respect to the UW System as a whole except as appropriate under generally accepted accounting principles for colleges and universities.

Normally the distinction between joint participation in a sponsored project and a sales transaction should be clear. In all cases, the nature of the agreement and not the amount involved should be the determining factor. However, in cases where the distinction may not be clear, the amount involved may be a weighing factor as follows:

- Agreements involving more than \$5,000 should be examined with particular care to ensure that joint projects are not inadvertently treated as sales and that the administrative requirements imposed by the extramural sponsor are met by all parties to the agreement.
- If the amount of the agreement is less than \$5,000, the additional administrative cost associated with administering joint projects may weight the classification decision in favor of a sales treatment.

SUBMISSION OF PROPOSALS & AWARDS

Preparation, Review & Routing of Proposal

All UWEX proposals for Extramural Support must be processed for appropriate internal administration review and approvals via the Wisconsin Proposal Electronic Routing (WISPER) system. WISPER is used as the basic source document for fund set up and monthly reporting to the Board of Regents through the Grants Management system. Information on the WISPER record is also used in the review of proposals and when considering institution issues such as space requirements.

WISPER and attached proposals, contracts, agreements are reviewed at the institutional level. Beyond the technical review of the detail contained in proposals, proposals are looked at to note issues of institutional concern. Proposals occasionally may raise issues of institutional mission; the investment of state funds when cost sharing is involved, cross-divisional program coordination, competition with the private sector and appropriateness. When such issues are noted proposals are discussed with divisional representatives.

The Review Process

The responsibilities in the preparation, review and submission of all extramural proposals and agreements involving UWEX are:

The ***department/unit chair*** shall:

1. Review the proposal for mission-relatedness.
2. Review the proposal for form, the use of the correct signature blocks, to assure that faculty, academic staff and support staff time commitments are reasonable and compatible with department workloads, present and planned.
3. Determine that the percentages of time and salaries are accurate.
4. Agree that the space, facility, and service requirements are within department's present or planned resources capability.
5. Identify new FTE requirements and approvals.
6. Check to insure that the Catalog of Federal Domestic Assistance(CFDA) number is provided for all

Federal/Federal pass through agency proposals/awards unless exempted in writing by the Federal agency. <https://www.cfda.gov/>.

7. Assure that the proper number of copies is provided to the Dean's office for further processing.
8. Assure that the proposal is in compliance with Federal Financial Disclosure Regulations per UW-Extension [Business Services Policies & Procedures](#).

After review the department/unit chair will sign the transmittal form and forward to the division dean or director.

The **division dean, director or** authorized designee shall review the proposal for completeness, compatibility with mission and intent. The following areas should be considered in the review process:

1. Facilities and equipment availability should be confirmed or needs outlined. Requirements for modification, reassignment, rental, remodeling or addition of facilities and equipment should be coordinated with the facilities management representative.
2. The budget should be complete, accurate and compatible with the narrative. Minimally the budget should break out salary, fringe benefit, supply and expense, and capital lines. The salary lines should be highly descriptive with entries for names, titles, project time, rates of pay and totals.
3. Unless waived or exempt, indirect costs must be stated. The divisional budget office should verify the policy applicable to the project.
4. Source of funds (federal or non-federal).
5. Cost sharing or matching monies are available if required. Their sources should be identified.
6. The proposal should fit with annual and long-range plans.
7. The WISPER record should be accurate and complete. The PD identified on the WISPER record

should actually be the person who is going to be directly responsible for the project and meet the standards previously outlined in the document.

8. The number of proposal copies sent to the UWEX Budget Office should be sufficient to meet sponsoring agency's requirements plus one for Extension's Office of Extramural Support.

After review the department/unit chair will sign the WISPER record and route to the UWEX Office of Extramural Support.

The ***UWEX Office of Extramural Support*** will:

1. Review the proposal for completeness and for compatibility with appropriate UWEX plans, policies and regulations.
2. Check budgets for correctness.
3. Ensure all contract language is acceptable to the Board of Regents/UW-Extension.
4. Ensure that all required signatures have been obtained before approving the WISPER record.

Timely processing of extramural support proposals is important. In general, extramural proposals must provide time for the full review and approval of proposals before their due date at the funding agency. Divisions should allow 10 working days for institutional review and for submittal and turn-around by the Office of Extramural support. The Dean's/Director's office should sign the WISPER records being submitted.

All proposals are to be submitted on behalf of the Board of Regents of the University of Wisconsin System. The Chancellor's Office and/or authorized designee (Controller, Vice Chancellor for Administrative and Financial Services) are the only offices authorized to sign on behalf of the Board of Regents of the University of Wisconsin System.

The Office of Extramural Support with a standard transmittal letter will submit the proposal to the funding agency via first class mail service unless otherwise requested.

Informal Proposal Submission

If an agency deadline does not allow sufficient time for formal submission of a proposal, the following steps can be taken:

- Check with the funding agency on their policy regarding the acceptance of informal proposals.
- Secure the approval of the Divisional Business Office.
- Contact the Divisional Business Office before finalizing the proposal and provide their staff with a draft of the budget and other related materials for review.
- Send the proposal directly to the funding agency with a cover letter (cc: the Divisional Business Office) which stipulates that formal submission of the proposal will be forthcoming.
- Submit at least three copies of the proposal through UWEX administrative channels via a WISPER record.

It should be understood that direct submission of proposals to the funding agency by staff should **not be followed** as a standard operating procedure.

Proposals submitted directly by staff who do not follow the steps outlined above may require changes and modifications which result in the funding agency receiving two different proposals for the same project. This could lead to a great deal of confusion and place the department or staff member in an embarrassing position.

Special Handling Issues

Items that require special handling include:

- Proposals that will involve other campuses of the University of Wisconsin System and for which UWEX is the proposed prime grantee must have written endorsement from an authorized official of the other campus.
- In proposals that involve staff members from university campuses, it should be determined whether the staff members will be on a part-of-load basis or an overload basis. Again, this should be cleared with the campus involved.
- It is strongly recommended that the proposed subcontractor be identified by name in the proposal. If possible, the subcontractor's scope of work and detailed budget should be appended to the proposal budget. Following these steps provide clarification that the services to be performed by the named subcontractor are being provided on a sole source (non-competitive) basis and therefore is exempt from the procurement process.

Project/Grant Number in Advance of Award

Occasionally a project/grant number is needed before receipt of a fully executed award document. A number can be requested by filling out the 88-1 [Request for Account Number in Advance of Award Form](#). It should be used:

- Instead of charging costs to another source of funding which will have to be cost-transferred later; (note: cost transfers in the Shared Financial System are to be kept at the absolute minimum due to the complexity of the process).
- When there is an absolute need for the project to begin prior to receipt of an award document; and
- There are assurances from the sponsoring agency that the award start date will cover any costs charged to the project/grant.

It may not be used to establish Multiple Donor, UW Foundation or any other discretionary gift account; exceptions require extensive justification and approval of the UW Extension Chancellor or designee. A WISPER record, all pre-award clearances and cost sharing associated with the project (if applicable) must be on file at The Office of Extramural Support before a project/grant number can be assigned. The Project/Grant Number in Advance of Award form needs to be routed through the Dean's/Director's Office or designee and then to the UWEX Office of Extramural Support.

ACCEPTANCE OF AWARDS

All award documents (gifts, grants, contracts, agreements, etc.) require formal processing within the University of Wisconsin System. Awards, received directly by UW-Extension departments that are not in response to a formal proposal submission, must be processed through regular administrative channels via WISPER. Generally, sponsoring agencies will send awards resulting from formal proposals (i.e. submitted via WISPER) directly to the UW Extension Office of Extramural Support. The primary responsibility for administrative and fiscal review of all awards rests with the UW Extension Office of Extramural Support staff.

Review of Terms and Conditions

Review of program content or program deliverable subject matter is the primary responsibility of the PD. Staff with an appropriate level of expertise in this area must review fiscal and administrative terms and conditions of all awards. Of primary concern are provisions concerning the following areas:

- Publication Restrictions
- Patents/Copyrights
- Liability and Insurance Requirements
- Disputes and Applicable Law
- Termination
- Budgets
- Invoice Submission and Reporting Requirements

Publication Restrictions

Any restrictions on University staff rights to release information or to publish any data, writings, or material resulting from extramurally funded projects is generally unacceptable. As a public institution UW-Extension has to protect its right to publish knowledge gained from extramurally funded activity. The following is an example of acceptable wording:

"As a public institution, the University and its employees have the right, at their discretion, to release information or to publish any data, writings, or material resulting from extramurally funded projects. The University will furnish the SPONSOR with a copy of any proposed publication in advance of the proposed publication date and grant the SPONSOR thirty (30) days for review and comment. Within this period, the SPONSOR may request the University, in writing, to delay such publication for a maximum of an additional sixty (60) days. However, the University does have a responsibility to maintain confidentiality over any proprietary information designated in writing by the SPONSOR."

Patents and Copyrights

The University requires participants in extramurally supported projects to comply with the provisions of any award received from an external sponsor. Furthermore, staff must cooperate in assuring that the sponsor's rights in intellectual property are fully protected.

Federal law allows the University to have ownership in any copyrights and patents resulting from federally funded activity. Generally the federal sponsoring agency will reserve a royalty-free, nonexclusive and irrevocable right to reproduce and authorize others to use the work for Government purposes.

Federal

Federal law allows the University to have ownership in any copyrights and patents resulting from federally funded activity. Generally the federal sponsoring agency will reserve a royalty-free, nonexclusive and irrevocable right to reproduce others to use the work for Government purposes.

UW-Extension proposed policies require project staff, when funded by federal funds, to turn over rights to intellectual property to the WiSys Technology Foundation (WiSys). Under WiSys policies/procedures a percentage of income generated by patents/copyrights intellectual property is shared within the UW-Extension community, i.e. Project Directors, Departments, etc.

Non-Federal

Intellectual Property resulting from any non-federal extramural funding is subject to the provisions of any agreement between the University and the sponsor regarding the rights in inventions, patents and copyrights. Absent any sponsor restrictions, project staff have complete rights to any intellectual property resulting from non-federal extramural funding.

The following is an example of acceptable wording for awards received from non-federal sponsors:

"The University and the SPONSOR each warrant that all materials each has furnished under this agreement are its own material or material which they have obtained the patent/copyright or permission to use the patent/copyright for the purpose of this agreement. Written copies of patent/copyright clearances may be required by either party."

Related information can be found in UW System GAPP No. 27 "Ownership, Use and Control of Copyrightable Instructional Materials."

Intellectual Property resulting from any non-federal extramural funding sponsor (a "Sponsor") and federal funding is intermixed

with that Sponsor funding, the federal rules govern, and the intellectual property must be taken to WiSys.

Liability and Insurance Requirements

The State of Wisconsin and consequently the University as an agency of the State is self-funded for liability (both public and property). Since this is statutory indemnification, there is no liability policy as such that can extend protection to the sponsor of extramural funds. Therefore, any sponsor requirements that the University maintains specific insurance coverage, add the sponsor as an additional insured, etc. must be deleted. In addition, the University cannot accept any clause that requires the University to indemnify or defend the sponsor. The following is acceptable alternative wording:

"The Board of Regents of the University of Wisconsin System agrees to hold harmless (insert sponsor), its officers, agents and employees from any and all liability, including claims, demands, losses, costs, damages and expenses of every kind and description (including death), or damages to persons or property arising out of or in connection with or occurring during the course of this agreement where such liability is founded upon and grows out of the acts or omissions of any of the officers, employees or agents of the University of Wisconsin System while acting within the scope of their employment where protection is afforded by sec. 893.82 and 89546(1), Wis. Stats."

Under certain circumstances, it is necessary for the University to negotiate mutually acceptable liability wording with officials of the sponsoring agency.

Disputes and Applicable Law

For most awards the laws of the State of Wisconsin should be substituted for any other state. If a sponsor will not accept changing to the laws of the State of Wisconsin there is substitute wording that the University can offer.

Termination

Contracts and agreements generally should contain a termination clause providing the process to be followed if either party desires to end their contractual arrangement. The following is an example of acceptable termination wording:

"This contract/agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than thirty (30) days written notice of intent to terminate, and an opportunity for consultation with the terminating party prior to termination. Final payment will be adjusted to reflect actual work completed plus non-cancelable commitments incurred in the performance of the project and not yet paid for."

Budgets

Budgets specified in award documents should be reviewed by the Office of Extramural Support in cooperation with the Divisional Business Office and Project Director to determine if they are adequate to support the requirements of the program/project and are formatted in an acceptable budget scheme. If the award is in response to a proposal, the award budget should be checked for responsiveness to the proposal budget.

Invoice Submission and Reporting Requirements

Invoice and financial reporting requirements imposed by the sponsoring agency should be reviewed by the Divisional Office to determine if they are realistic and do not impose a significant administrative burden on the University. Otherwise, The Office of Extramural Support determines the invoicing frequency.

Invoicing should be frequent enough to allow a reasonable cash flow to the University, but not so frequent that it causes an undue administrative burden. Quarterly (three months) invoicing is fairly standard and is generally sufficient for University requirements. For projects with very large budgets, invoicing should be allowed on a more frequent basis. Awards received directly from Federal agencies usually have an electronic cash draw down procedure that can be used to meet University cash needs as they arise.

For non-Federal agencies, financial reporting is usually included as part of the invoice. Federal agencies generally require invoicing/electronic draws and the submission of financial reports to be separate processes.

Invoicing and/or financial reporting requirements should also be reviewed to assure that they do not contain any unusual or special features. It is standard University policy to report expenditures by major budget category. Detailed expenditure reporting by line item

or a requirement to provide copies of source documents (invoices, payroll registers, etc.) is not acceptable.

Award subject matter related to program deliverables, i.e. narrative reports, should be reviewed and approved by the PD.

Negotiations with Sponsoring Agency

If it becomes necessary to negotiate administrative or fiscal terms and conditions of an award document, this should be negotiated by the staff in Office of Extramural Support.

Negotiations that involve program content and or program deliverables are the responsibility of the PD or appropriate department or divisional staff.

Cost Sharing Input Forms

Federal award budgets must be reviewed to determine whether UW-Extension is required to document project expenditures. It is University policy, that whenever possible, institutional cost sharing should be documented, by assigning a portion of the salaries of staff who will be involved in the project, to non-federal funding sources. This is accomplished by completing a [Cost-Sharing Input Form](#) for each staff member who will be providing effort towards the project funded by institutional non-federal funds. This data is entered into the Cost Share Bolt-On System. During the project, effort cards will be generated to document cost sharing effort in support of sponsored projects. The actual cost sharing consists of the staff member's certified salary plus related fringe benefits and indirect costs.

Although documentation of salary effort is the preferred method for providing mandatory cost sharing, special arrangements may occasionally be necessary. Before the federal award can be formally accepted, the method for documenting non-salary cost sharing must be clarified. If a portion of the cost sharing is to be provided by another UW institution or external organization, clear evidence of their acceptance of this responsibility must be on record.

Signature Authority

All award documents (grants, contracts, agreements, etc.) that require a University signature must be signed by a University official authorized to sign on behalf of the Board of Regents of the University of Wisconsin System. Awards received directly by departments that are not in response to a formally processed proposal must be processed via WISPER.

POST AWARD ADMINISTRATION

University policies and procedures governing expenditures of State operating funds are also applicable to gift and grant, and contract monies. Please follow the approved budget when processing expenditures against your project. The following information may be useful in the fiscal administration of your project.

Financial Reports/Invoices to Funding Agency

Financial reports for projects assigned to 133 or 144 funds are prepared by the Office of Extramural Support. If the financial report is in a format that is inconsistent with the budget schemes that are available for the accounting reports, the Division may be required to prepare the financial report. The Divisional Business Office will forward the report through the UWEX Office of Extramural Support, which will review the report. Copies of all Financial reports, statements and supporting schedules need to be in compliance with GAAP, University policies and procedures, federal and state requirements as well as specific agreements and OMB Circulars A-21 (cost principles), A-110 (administrative circular), and A-133 (audit requirements). The OMB Circulars are available at (http://www.whitehouse.gov/omb/grants_default).

Generally UWEX Office of Extramural Support will prepare all invoices sent to the grantor. Invoices will be sent based upon the approved terms and conditions of the award document. The Office of Extramural Support sends copies of all Financial reports to the PD and the Dean/Directors Office. The Office of Extramural Support will respond to the grantor if there are disputes or collection problems with the grantor.

Compliance with Sponsoring Agencies Terms and Conditions

It is the PD's responsibility to be in compliance with the sponsoring agencies terms and conditions for expenses, reporting, and closing arguments. The Office of Extramural Support will review expenses, reporting and closing requirements to insure compliance.

Budget Summary Reports, Expenditure Requirement & Special Requirements

Budget Summary Reports

Budget Summary Reports and Expenditure Reports provide data on personnel appointments, requisitions, and expenditures processed against extramurally funded projects. These reports will be available for review and/or print through the SFS Web Inquiry System at <https://authhub.wisconsin.edu/?app=WISDM>. Access

rights to this web site are available through your Division Business Office. Review these reports to insure that personnel and other costs are being appropriately charged to your project.

Personnel

To avoid the need for salary payment transfers, it is important that steps are taken to allocate staff salaries promptly to extramurally funded projects. Otherwise, salaries may be needlessly charged to the incorrect fund. All new positions must be coordinated with the Dean's/Director's Personnel Officer.

- Academic - Department must initiate Personnel Action Forms for existing personnel and/or new staff charging the account for the appropriate percent of their work related to the project.
- Classified - Department must notify the UWEX Payroll Office for proper payrolling of existing positions.
- LTE and Student Hourly - Time sheets must indicate clearly the fund and account to be charged.
- Ad Hoc - An "Additional Instruction Appointment Form" should be initiated for professional ad hoc personnel who are to be payrolled (i.e., currently employed elsewhere in the University System or where an employer/employee relationship exists).
- Independent Contractor - An individual who is not currently a University employee can be paid for services as an independent contractor if there is clearly no employer/employee relationship and the appropriate documentation is provided to the UWEX Business Services Office. Please reference UWEX Policy and Procedure Document No. 3 Payment for Personal Services for details

Supplies and Services

Requisitions for zero dollar blanket orders to UW-Madison service centers should be processed as soon as possible. Be sure staff on the project are aware of the order number and the applicable order number is used for services related to the project. For unusual expenditures a short statement should be included on requisitions, etc., which indicate how the expenditure relates to the project. Please avoid excessive end of the project spending. Project staff

should monitor open requisitions. If unexpended balances will not be used, the requisitions should be closed or reduced.

Postage

When sending out project related mailings through the Extension mailroom, be sure to use the bar-coded charge tickets issued to your department by UWEX Mail Services.

Equipment

Capital equipment (items with \$5,000 minimum cost) should not be purchased unless specifically identified in the approved budget for your project. Ownership of permanent equipment is determined in the terms of the grant or contract. In either case, the PD is responsible for such equipment and must account for all items periodically and at the close of the project.

Telephone

Toll and STS calls may be charged to extramural funds. In case of telephones used solely for your project, all toll and STS calls can be charged directly to the project by notifying the University DoIT Telecommunications Office. When only specific calls can be assigned to your project the charging of these calls can be facilitated by the use of the [Telephone Funding Change Request Form](#).

Travel

All travel included in the budget and related to the project should be charged to the assigned fund and project/grant number. Travel Expense Reports, travel agency invoices, etc. should include an explanation as to how the expenditures relate to the project.

Fringe Benefits

Wisconsin Statutes Section 20.865 requires the fringe benefits applicable to salaries paid for extramural funds shall be charged to such funds. A fringe benefit charge will be applied to each project/grant number automatically and will be based on the present rate and the actual salaries paid in a given month. If the salary category is increased, the amount of fringe benefits will be increased as well. The fringe benefit rates are determined annually and a separate rate is established for the different types of salary classifications.

Indirect Costs

Indirect costs will be charged to the project/grant according to the agreed upon rate. When revising a budget, the PD must consider the effect the revision will have on the amount of indirect cost to be charged.

Subcontracts

If a project awarded to University of Wisconsin-Extension involves subcontracting with a State Agency or other organizations, the department should work with the Division Business Office in drafting up a sub-contract for review by the Office of Extramural Support. Sub-contracts of Federal grants have special requirements. Contact the Office of Extramural Support for appropriate subcontract template. Contracting agreements with another UW System campus must be issued in the form of an InterInstitutional Agreement (shared grant).

Effort Reporting Cards via ECRT

If the project involves cost sharing, the Office of Extramural Support requires the completion of the [Cost Sharing Input Form](#) for each individual identified as match in the project budget. An Effort Card is generated to record and certify the required match. The Effort Card must be certified by the employee/supervisor quarterly (classified) or semi-annually (academic).

Cost Sharing Positions

To assure that mandatory cost sharing commitments are met, the Office of Extramural Support should be notified of any changes in staff effort from the levels initially budgeted. This requires a revised [Cost Sharing Input Form](#) to be sent to the Office of Extramural Support for entry into the cost share bolt-on system.

No-Cost Extension

If it is necessary to extend the project period, it is the PD's responsibility to request the extension from the agency. Requests for time extensions should be submitted by the PD to the funding agency at least 60 days before expiration through their Division Business Office for forwarding to the Office of Extramural Support for counter-signature and submission. The Office of Extramural Support will send out the official acceptance of the request to the PD and Division Business Office when the funding agency has returned a fully executed copy.

Re-Budget Requests

Anticipated budget changes may require approval of the funding agency. Requests should be submitted as soon as it is known that anticipated expenditures will not be in compliance with the approved budget. Requests to the funding agency for budget revisions are the responsibility of the PD and should be routed to the Office of Extramural Support. The Office of Extramural Support will send out the official request.

Correspondence

All administrative correspondence to the funding agency should reference both the agency's identification number and the fund and project/grant number assigned by the University. The Division Business Office and the Office of Extramural Support should be copied on all correspondence.

Project Income

Funding agency terms generally require that the University account to the funding agency for program income related to projects funded with extramural funds. It is therefore important that income generated from the sale of goods and/or services are redeposited to the source of funds paying the costs of the sale. The only exception to this would be if the terms of the extramural project allow a specific alternative for handling any income generated.

Close out Procedures

In most circumstances, the PD is responsible for submitting final program reports to the agency in compliance with the terms and conditions of award. The final financial report is prepared by the OES in collaboration with the Divisional Business Office and the Project Director and are submitted by the Office of Extramural Support. The UWEX Business Services Office closes all open encumbrances. The Divisional Business Office initiates any adjustments (transfers) required to close the account and notifies the Office of Extramural Support when the final financial report can be submitted within the close out period (usually ninety (90) days on all Federal awards) allowed by Sponsor.

Financial Audits

All audits of UWEX Extramural funds should be coordinated through the Office of Extramural Support in cooperation with the UWEX Internal Auditor. The auditee (UWEX through its Division Business Offices) provides financial statements that reflect its financial position and cash flow for the fiscal year audited. All institutions of higher education are

subject to the cost principles contained in OMB Circular A-21. OMB Circular A-133 specifies the audit requirements and objectives for non-Federal entities that administer Federal awards totaling over \$500,000. When Federal funds are being subcontracted or sub-granted to other entities, the Office of Extramural Support is required to monitor the activities of subrecipients advising them of audit requirements. The auditee is responsible for follow-up and corrective action on all audits findings. The OMB circulars can be found on the web at http://www.whitehouse.gov/omb/grants_default.

Other General Administrative/Fiscal Information

Please refer to the UWEX Business Services Policy and Procedure Documents for additional information.

SMITH LEVER FUND ADMINISTRATION

Steps for Smith-Lever Applications

- Obtain the USDA-NIFA "Request for Applications" (RFA). USDA-NIFA publishes the RFA that includes guidelines and the Federal Application Submission Package, standard forms that accompany the narrative sections of the application. All USDA-NIFA grant applications must use the standard forms. If the information received from Washington suggests that these forms are not needed for award application, consult with the Cooperative Extension (CES) Budget Office to confirm the submission requirements. Provide a copy of the RFA to the CES Budget Office before proposal and budget development begins.
- Develop programmatic materials and a budget that represents the project's plan of work. Confer with the Program Leader, District Director and CES Budget Office in the early stages of proposal planning. Experience demonstrates that more time allowed for careful review before a deadline results in a better overall product. Specific budget issues to not and to discuss with the CES Budget Office include the following:
 - Indirect costs are not charged to Smith-Lever budgets;
 - Salaries and the fringe benefits rate may increase over the life of the project;
 - The fringe benefits rate is adjusted in Smith-Lever budgets to comply with federal regulations;

- Cost sharing must be discussed with the CES Budget Office.

The project budget is entered on the "BUDGET" form provided in the Federal Application Submission Package.

- Submit for review the required number of copies (plus one for CES Budget Office files) of the application and a draft cover letter to accompany the proposal. Allow at least ten working days for administrative review and approval by the State Extension Director (Dean of Cooperative Extension). The first review, by the CES Budget Office, is for completeness, for compliance to specifications, and for budget accuracy. The CES Budget Office forwards the proposal package to the Dean/State Extension Director for review. Following the approval and signature of the Director, the signed application is returned to the CES Budget Office who submits it electronically via Grants.gov.

Receipt of the Smith-Lever Award

- After written confirmation of the award is received from USDA-NIFA, the Business Services Office assigns a Fund 143 account number to the project and notifies the CES Budget Office. The CES Budget Office notifies the Project Director of the new charge number. The assignment of this number signals approval to use the account number to begin incurring expenses for project activities.
- A Budget Summary Report and Expenditure Report will be prepared monthly and will be available for review and/or print through the SFS Web Inquiry System at <https://authhub.wisconsin.edu/?app=WISDM>. The Project Director is responsible for regular review of expenses. The CES Budget Office is available to answer questions throughout the project period. UWEX payroll and Business Services offices will be consulted for specific payroll and purchasing issues.
- Requests for budget revisions or for extensions to the grant period should be submitted to USDA-NIFA through the CES Budget Office.
- Narrative progress reports are the responsibility of the Project Director. Financial reporting on Smith-Lever awards is the responsibility of the CES Budget Office.
- The Smith Lever Act Administrative Manual can be found at http://www.csrees.usda.gov/business/awards/formula/manuals/coo_pextension.pdf.

FREQUENTLY VISITED LINKS

[SAMPLE GIFT ACKNOWLEDGEMENT LETTER](#)

[APPLICABLE INDIRECT COST RATES TABLE](#)

[GIFT-IN-KIND TRANSMITTAL FORM](#)

[FUND ASSIGNMENT GRID](#)

[SHARED GRANT DOCUMENT](#)

[SHARED GRANT MODIFICATION DOCUMENT](#)

[BUSINESS SERVICES POLICIES & PROCEDURES](#)

[REQUEST FOR ACCOUNT NUMBER IN ADVANCE OF AWARD FORM](#)

[COST SHARING INPUT FORM](#)

[TELEPHONE FUNDING CHANGE REQUEST FORM](#)